

Article - Public Utilities

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§25–211.

(a) (1) For purposes of this section, the annual benefit charge for a property shall be calculated at a sum:

(i) equal to the base rate applied to the classification for the property as it is used, disregarding any allowance for excess; but

(ii) not less than the base rate applied to property in the residential subdivision classification.

(2) At any time, a benefit charge may be extinguished or redeemed by payment to the Commission of a sum equal to:

(i) the annual benefit charge multiplied by the number of years yet to run on the bonds that financed the construction of the water main or sewer on which the benefit charge was based; and

(ii) less the interest calculated at the rate of interest on the bonds that financed the construction of the water main or sewer on which the benefit charge is based.

(b) Notwithstanding subsection (a) of this section, if a benefit charge is paid and redeemed because the property is acquired by the State, a county, or other governmental unit under any law that requires redemption, the payment to the Commission:

(1) shall be the capitalized amount of the actual benefit charge; but

(2) may not be less than an amount calculated as if the property were in the small acreage classification, with the redemption amount calculated as provided in this section.

(c) (1) On receiving a sum from the extinguishment or redemption of one or more front foot benefit charges, the Commission:

(i) shall purchase and cancel one or more bonds from the series of bonds issued for the construction that was the basis of the front foot benefit charge; or

(ii) may invest or use the sum to:

1. construct other water mains and sewers for which benefit charges are imposed; or

2. amortize bonds issued for the construction of water mains and sewers for which front foot benefit charges are imposed under this subtitle.

(2) The Commission may make up a deficiency in the purchase of a bond or pay a premium from any available surplus funds.

(3) The extinguishment or redemption of a benefit charge is conditional until the last year of maturity of the bonds from which proceeds the water mains or sewers were constructed.

(4) If, after extinguishment or redemption, the use of the property changes to another classification that would yield a greater benefit charge than that used to calculate the sum to extinguish or redeem the benefit charge, the Commission may:

(i) reclassify the property;

(ii) calculate a benefit charge to give credit for the sum paid for the extinguishment or redemption; and

(iii) reimpose the benefit charge for the remaining number of years until the bonds mature.

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